



## Financial Assistance Award

**DENALI COMMISSION**  
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Anchorage, Alaska 99501  
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www.denali.gov

Authority  
112 Stat 1854

CFDA Number  
90.100

Denali Commission Finance  
Officer Certification

CCE

Project Number 0082-DC-2002-I33, Amendment 1

Project Title Secondary Operator  
Rural Electric Utility Systems

Performance Period July 1, 2002 – August 31, 2004

Authorizing Resolution 02-10

### Recipient Organization & Address

McGrath Light & Power Company  
P.O. Box 52  
McGrath, Alaska 99627  
Ph: (907) 524-3009  
Fax: (907) 524-3701

Recipient DUNS # 14-555-7760 TIN # 92-0069842

### Cost Share Distribution Table

Current Obligations		Cumulative Obligations	Denali Commission	Other Contributors	Totals
FY02 Base funding					
Acct. Code 95670000	\$ 6,000.00	Current Funding	\$ 6,000.00	\$ -	\$ 6,000.00
		Funding From Prior Periods	\$ 20,000.00	\$ -	\$ 20,000.00
Total Current Funding	\$ 6,000.00	Funding Totals	\$ 26,000.00	\$ -	\$ 26,000.00

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- ☒ Special Award Conditions and Attachments  
☐ Line Item Budget  
☒ OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations  
(<http://www.whitehouse.gov/omb/circulars/a133/a133.html>)

### Administrative Requirements (check one)

- ☐ OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments  
(<http://www.whitehouse.gov/omb/circulars/a102/a102.html>)  
☒ OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations  
(<http://www.whitehouse.gov/omb/circulars/a110/a110.html>)

### Cost Principles (check one)

- ☐ OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments  
([www.whitehouse.gov/omb/circulars/a087/a087-all.html](http://www.whitehouse.gov/omb/circulars/a087/a087-all.html))  
☒ OMB Circular A-122, Cost Principles for Nonprofit Organizations  
([www.whitehouse.gov/omb/circulars/a122/a122.html](http://www.whitehouse.gov/omb/circulars/a122/a122.html))  
☐ OMB Circular A-21, Cost Principles for Educational Institutions  
(<http://www.whitehouse.gov/omb/circulars/a021/a021.html>)  
☐ 48 CFR 31.2, Contracts with Commercial Organizations

Signature of Authorized Official - Denali Commission

*Jeff Staser*

Typed Name and Title

Jeffrey B. Staser, Federal Co-Chair

Date

5-14-2004

Signature of Authorized Official - Recipient Organization

*John Harris*

Typed Name and Title

John Harris, General Manager

Date

5/19/04

***Award Conditions to the Financial Assistance Award  
Between the Denali Commission and the McGrath Light and Power Company  
For Secondary Operator of Rural Electric Utility Systems  
Project No. 0082-DC-2000-I33 – Amendment #1***

***1. Scope of Work***

The award establishes a partnership of the Denali Commission and the McGrath Light & Power Company to achieve sustainable operations of newly upgraded electric utility systems in rural Alaska. The work to be performed by the McGrath Light & Power Company under this award is to serve as a Secondary Operator providing management, technical and advisory assistance to the primary operators of the following rural electric utility systems:

Tuluksak, Alaska

The principal objective of this work is to assist the Primary Operator to be successful in providing adequate and reliable fuel services and operating the electric utility system in accordance with its Commission approved business plan and in compliance with applicable U.S. Coast Guard and Environmental Protection Agency regulations. The specific tasks are:

1. Make quarterly on site visits of one to two days in duration to assess the performance of the Primary Operator, provide on the job training and develop a mutually respectful working relationship with the Primary Operator.
2. Assist the Primary Operator to overcome any perceived weaknesses through education and training including referral to established training resources provided by others.
3. Be in regular communication by telephone, FAX or Email providing management, technical and advisory assistance as needed by the Primary Operator.

**Amendment 1 revises the site visit schedule to monthly from April 2004 through June 2004, especially in order to oversee and/or verify periodic maintenance of new power plant equipment and to evaluate new pre-pay meters and collections and local business activities related to the utility operations. The performance period is extended through August 31, 2004, to allow for final reports, recommendations and billings to be submitted to the Denali Commission.**

***2. Standard of Care***

The same degree of care, skill, and diligence shall be exercised in the performance of the Services as is ordinarily possessed and exercised by members of the same trade or profession, currently practicing, under similar circumstances. No other warranty expressed or implied, is included in this Agreement or in any drawing, specification, report, opinion, or other instrument of service, in any form or media, produced in connection with the Services.

### ***3. Award Performance Period***

The Award performance period is July 1, 2002 through August 31, 2004. This is the period during which Award recipients can incur obligations or costs against this Award.

### ***4. Direct and Indirect Costs***

The cost principles found in 48 CFR 31.2 , Contracts with Commercial Organizations, are applicable to this Award. Direct and indirect costs are allowable as provided for under the cost principles.

### ***5. Budget and Program Revisions***

The Commission Project Manager must approve changes in budget and scope in advance and in writing. Please refer to 15 CFR 14, the Administrative Circular applicable to this award, for further details.

The McGrath Light & Power Company will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated cost overrun, schedule delays, or changes in the scope of work or changed site conditions. This report is not required unless project conditions warrant it.

The Commission may determine, in the exercise of its sole discretion under the Facility's business plan, that the Primary Operator has failed or is unable to operate the Facility in accordance with the business plan. The Commission may then transfer the full custody and control of the assets and business operations of the Facility, including but not limited to, the cash, receivables, and inventory of the Facility, to the McGrath Light & Power Company. In such situations, the Commission and the McGrath Light & Power Company will collaboratively resolve how best to establish competent management of the Facility as provided for in the Facility's Secondary Operator agreement. Such situations cannot be predicted and will be dealt with on a case by case basis to change the budget and scope of this award.

### ***6. Payments***

Payments under this Award will be made through the U.S. Department of Treasury's Automated Standard Application for Payment (ASAP) system. The ASAP system is the Commission's mechanism for requesting and delivering Federal funds to Award recipients. Your organization must be registered with the ASAP program in order to make draw downs. Please contact the Commission's Program Manager or Finance Manager for further information about registering with the ASAP program. Payments shall be made in accordance with 15 CFR 14. **No interest will be accrued on these funds.**

## **7. Reporting**

Two forms of project reporting are required under this Award, listed below. McGrath Light and Power Company shall submit reports using the Denali Commission's on-line Project Database System, available at [www.denali.gov](http://www.denali.gov). If there are technical limitations which may prevent the recipient from meeting this requirement, please contact the Program Manager listed in this agreement.

- a. **Progress Reports** shall be submitted on a quarterly basis. Reports are due within 30 days of the end of the reporting period. Progress reports shall include the following:
  - i. Total project funding, including both Denali Commission funding and other project funding sources.
  - ii. The total project expenditures for the project as of the end of the reporting period, including both Denali Commission and Other funding sources.
  - iii. Update schedule and milestone information as identified in the Scope of Work
  - iv. Narrative summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems.
- b. **Federal Single Audits** shall be submitted annually, when required. In accordance with OMB Circular A-133, which requires [subpart 200] "Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. [subpart 205] The determination of when an award is expended should be based on when the activity related to the award occurs."

Recipients shall also submit single audits to the Federal Clearinghouse designated by OMB. Information can be found on the following web-site:  
<http://harvester.census.gov/sac/>

## **8. Project Close-Out**

The project close-out shall be completed within 90 days of the end of the Award performance period or within 90 days of the completion of the project, whichever is earlier. Recipients must also draw down any remaining funds for expenditures incurred under this award during this 90-day period.

The Project Close-out report shall be submitted on-line through the Denali Commission's on-line Project Database System, available at [www.denali.gov](http://www.denali.gov). The project close out will require the recipient to submit the following information:

- a. Final data for each item listed in paragraph 6(a) "Progress Reports"

- b. Final project expenditures itemized by the following categories: planning & design; materials & equipment; freight; labor; project administration/overhead and other expenses.

### ***9. Public Policy Laws and Assurances***

Award Recipients are required to comply with the public policy laws and assurances on Standard Forms SF 424b (non-construction projects) or SF 424d (construction projects). This form must also be signed by a certifying official of the organization. Some of the laws are highlighted below for your reference.

To the maximum extent practicable, considering applicable laws, Funding Recipients shall accomplish the project contemplated by the Award using local Alaska firms and labor.

No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

Project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds.

### ***10. Non-Compliance with Award Conditions***

Recipients not in compliance with the terms and conditions of this Financial Assistance Award will be notified by the Denali Commission. The Denali Commission will work with the recipient to identify the steps necessary to bring them back into compliance, and will establish an appropriate time frame for the corrections to be made. If the corrections have not been made by the deadline, the Denali Commission reserves the right to either suspend or unilaterally terminate the Financial Assistance Award for non-performance.

### ***11. Program Manager, Financial Manager & Other Contact Information***

Denali Commission	McGrath Light and Power Company
Kathleen Prentki, Program Manager 510 "L" Street, Suite 410 Anchorage, AK 99501 (phone) 907-271-1441 (fax) 907-271-1415 e-mail kprentki@denali.gov	John Harris, General Manager PO Box 52 McGrath, AK 99627 (phone) 907-524-3009 (fax) 907-524-3701 e-mail mlppower@mcgrathalaska.net